From the moneys and securities in the sinking fund of the General Fund debt, the sum of \$2,165,543.71 has been paid, and the General Fund debt to that extent extinguished. There remains to be paid the sum of \$800,000, which does not become due until the first day of July next, when it will be paid, and the General Fund debt, which has so long been in existence, will also be fully extinguished, except a small amount invested for

On the 30th of September last the Canal debt, less the balances in the sinking fund, amounted to \$8,630,016 29.
Of this sum \$880,000 became due on the 1st day of December last, and was paid from the Canal debt sinking funds, leaving the total amount of the debt, at this date, \$7,750,016 29. But for the unfortunate maladministration of the causis, and the wasting of their revenues it former years, the Canal debt would also have been entirely extinguished, and we should have the satisfaction of announcing that the State was entirely free from

A HOPEFUL VIEW OF THE CANALS, The details of the receipts and expenditures upon the canals, and the statement in regard to the Canal debt and sluking fund, will be found in the report of the Auditor

of the Canal Department. In my last annual message I had occasion to refer to the heavy iosses of the forwarders and boatmen on the canals, caused by the general depression of business, and the extraordinary competition of the rallways, especially during the season of 1876. During that year the crops were short, the volume of business was very small, and the rates of freight insufficient to pay expenses. It is very gratifying to be able to state that, during the past season, a marked improvement has taken place. The competition of the railways has been less ruinous, the crops have been unusually abundant, the business upon the canals has increased to such an extent that all the available boats have been brought into service, and full and remunerative rates of freight have been freely paid. A season of greater prosperity for forwarders and boatmen has not been known in many years. In view of the depression and losses of 1876, and not anticipating the revival which has taken place in 1877, the tolls were reduced to an extremely low rate for the last year. Consequently the revenues have not kept pace with increase of business. The gross amount of sources, was \$1,053,361 01. receipts, from all The expenditures for superintendence, collection, and ordinary repairs, amounted to \$1,050,329 68, showing an excess of receipts over expenditures for the fiscal year amounting to the trifling sum of \$3,031 33 to be paid into the sinking fund. This leaves a large deficiency to be supplied by taxation. At least a one-fourth mill tax will be required for that purpose.

The gross tells for the calendar year 1876 were

\$1,340,003 30; the gross tolls for the calendar year 1877 were \$880,000, showing a talling on af \$460,003 30. This shows a lower amount of receipts for tolls than has been known within the last forty-five years. As the Constitution limits the amount which can be expended during this year to the gross amount received during the last year, it will be seen from the above statement that there an absolute necessity that the expenditures should be reduced, during the present year, very largely. The only hope of accomplishing this necessary reduction is, in my judgment, immediate adoption of the change of administration provided for in the amendment of the Constitution, by the appointment at the earliest practicable day, of a Superintendent of Public Works, whose duty it will be to devise a new plan of administration and a thorough reorganization. By making this enange, it is beheved that the expenditures for the current year can surely be brought below the gross amount of revenues for the last year, and the service upon the canols improved in every respect.

Most of the evils, waste and corruption which have disgraced the management of the canals to former years arose from the systematic extravagance and fraud long prevalent upon taem, and which had grown into monstrous proportions when they were arrested by the thorough investigation and reform inaugurated in 4875. Ail experience has shown that the navigation of the canals is not improved, but is actually damaged by large revenues, leading to wasteful, careless and corrupt expenditures. This is illustrated by the experience of the past season. The expenditures have been much lower than for many years previous, but in no one of them have the canals been in such complete order, and so free from breaks and interruptions to navigation. And yet the administration, during 1877, has been under the old cumbersome and expensive system.
It is the opinion of many well-informed men, that by

p.acing the administration under one responsible head, who will adopt a new system, cutting off all abuses, the canais can be successfully managed for our naif the expenses incurred du ing the last year. This expectation may be too sanguine, and it will be imprudent to act upon fore it has been tried, but I crust it may be very hearly the extraordinary and gratifying results which have seen fracted in the state prisons by false the faithful and efficient supervision of one responsible plays head give roason to nope for similar results under like management of the canais. The legislation necessary to carry the amendment of the Constitution into effect was oted by the last Legislature, but at 100 fare a period perfect a new organization before the opening of navigation. I trust that no unnecessary delay will now occur in carrying into effect perity, if not to the very existence, of the canais Tac improvement in canal transportation in the last

season dia n -t commence until about the 1st of July. From that date till the close of the season, the number of boats to meet the demands upon them. It is confidently expected that the improvement will cont-mue throughout the shore of the coming season, and that new boats will be bath sufficient to supply this deficiency. If this expecarion shall be realized, the canals will show that they have passed safely through the crisis of financial disaster, and that they will beneeforth be able to meet the requirements of the constitution, and at the same ac secure the prosperity of those who havigate them. To say they cannot do this is a confession of weakness and decay water their friends will be unwilling to make

report giving the income and payments of each of the causis shows that of all the canais in the State, only the Erie carned more than its expenses, and that worke that visided the small revenue of \$84,840,88, over expenses. nearly all the others failed to promise a half, or even a fourts, or the sums xpended to keep tuem in repair. Ad the internis south of the Eric except the Cavites

A reference to the comparative table in the Auditor's

and Scheca are practically abandoned. No further ex-penditures should be a sac apon them. Those north of the Eric, required by the Constitution to be kept, give re-sults of a very discouraging nature.

The Oswego canal snows receipts of \$20,473 40, expenaltures of \$60,994 29; the Black River receipts of \$15,711, expenditures of \$54,381 23; the Champlain re ce-pts of \$63,161 77, and expenditures of \$214,339 81

BETTER MANAGEMENT OF PRISONS. State is that shown in the management of the State

prisons. The number of convicts in the turne prisons on the 30th of September, 1877, was as follows : 1.641

Total .. 3,395 The total number on September 30, 1876, was 3,509, showing an increase for the present year of eighty-six. The advances from the treasury exc eded the receipts from the prison earnings for the fisch year ending. September 30 hast by the sum of \$369,688 *8. The deficit, as given in my last annual message, was \$704,379 85, showing a decrease of the annual draft "upon the State treasury of \$334,691 77. As the present Superintendent did not enter upon his official duties until the 17th day of February, 1877, and had, therefore, been in control little more than seven months at the end of the fiscal year, this result is the more creditable. Of the actual dench the first five months, during which the prisons were managed under the old system, developed by far the greater part. It is but fair to add that the returns of Sing Sing, formerly the most costly of all our prisons, for actual revenue to the State Treasury over all expendi These figures show strong proof of the wisdom of the new system of managing our public institutions through a single responsible head, and inspire the nope the prisons of the State, so long i costly burden to the taxpavers, will become self-sust oning. An equal advantage of the present system already attained is sound in the better discipline and greater in dustry maintained at the several prisons; morally, far more beneficial to their minutes than the license and ir-

In connection with the penal system of the State, I ask that you consider the overcrowded condition of our State prisons, largely the result of excessive sentences. Some years since an act was passed, allowing very considera-

object of the commutation act. The extreme penalties of the law are often inflicted for first offenses of every grade. It is not at all uncommon to ful in prisons lads of sixteen or eighteen who, for a really trivial fault, upon their plea of guilty to an indictment some grave crime, have been sent to prison for twenty years. Such boys are too often, although innecent, led to plead guilty to crimes they never committed. by the persuasions of indolent or unprincipled lawyers, who having robbed them of their money seek thus to avoid the trouble of trials. Some such convicts are able to bring their cases to the notice of the Execu-

are able to bring their cases to the notice of the Executive, with proofs which justify the exercise of elemency, but the great majority drag out workshed lives in prison, emerging at last useless to themselves and the community. It seems that some steps should be taken to prevent this infustice, and I fisk that you consider the matter in connection with the sudject of penaltics.

The State Reformatory at Elmira approaches completion, and now contains about 140 convicts. The Legislature, at its last session, passed an act giving the board of managers wide discretion in the detention, release and supervision of the criminals commuted to their charge. Under this act, it was hoped by those who had given much attention to the subject, the maximum of moral improvement in youthful convicts might be attained. The system is, of coorse, an experiment. It has been often advocated, but never before so thoroughly tried in this State. The reformatory is believed to be at present so administered as to insure the success of the experiment, if success is possible. There have been expended upon the buildings and grounds, fittings and turniture of the reformatory, during the past vear, 880,000, leaving an unexpended balance of the appropriation made hist Wister of \$105,000, which the managers estimate will be sufficient to complete the building, it will then accommodate 500 convicts, and may furnish needed relief to our crowded State prisons.

UNEMPLOYED LABOR.

The depression in all branches of trade, business and manufacture, and the wreek of our too numerous railread, mining, iron and milling ventures, have thrown out of employ a vast number of laboring men, who, with-While it is true that legislation can do little for their relief, it is well to understand clearly the causes which have led to their distress. In 1860 there was no complaint of lack of employment or scant wages convertible into it at will. The currency was substan branches of trade and industry, and the prices of labor and of the necessaries of life. The laws of trade regu

lated and controlled the entire energy of our community Immediately after the commencement of the civil war n 1861 the General Government began an inflation of the carrency by the issue of paper money. This soon quently the volume of the currency demanded by tradand no regulator. Within tures or four years the volume of our currency was swollen to more than double the amount in use in 1860 and 1861. The inevitable result followed; a rapid therease of the price of all commedi-ties, an unnatural stimulation of trade and manufac tures, and a necessary increase in the wages of mechan es, artisans and laborers.

At the same time another great cvil was strongly developed. Individuals and corporations engaged in the various branches of manufacture, taking advantage of the necessities of the Government, rushed to Congress and, by every means in their power, procured, each to its own benefit, the levy of what were called protective duties, under the false pretence of raising revenue for the Government, but really to compel consumers to pay exorbitant prices for the favored articles thus protected Under the wing and stimulus of this so-called pronew enterprises were undertaken; new, and extensive factories built: new and needless raffways projected and undertaken; new mines and foundries opened, and armies of laborers altured by
high wages to these enterprises from fields of
agriculture and other soler and ratenal employments at
life. The few notes of warning russed against the certain consequences of this wild overaction were unlessed.
Extravagance of expenditure, the absence of everything
like frugatily and demelve builde frus raised could not
endure, and although sept affect by the whole
power of the Government so long as it was possible, it met at last the inevitable day of doom.
Imaginary fortunes vanished in a moment, ill-advised
railway semenes, mines, mills and factories were usepended, and tens of thousands of innoce t and unfortomate laborers were left without employment or the
means of subsistence. Instead of the high wages by
witch they had been entheed from other occupations to
these enterprises, they received no wices at all.

It is easier to discover the cause of this distress than to
permanent and effectual remedy. That is to return as
specifity as possible to the condition of things that existed before the road to rain was entered upon the vinsan
of a return to specie payments, a sound and stable currency and the roduction of the tarift to a skitcily received factories built: new and needless raffways pro

or a return to specie payments, a sound and stable cur-rency and the reduction of the Lard to a saletty re-rence standard.

Under the influence of these measures all branches of

or corporations by whom they are emple promptly undertaken with a proper a portance of the great interests nevo ved.

THE RIOTS OF JULY.

Times of distress like those above referred to, never anie to open a widefloid to a class of aritators and demagogues, who, whilst declining to work themselves make it their business to go amonest henest men who would labor if they could find work, and end aver to stir up strife and discord. During the last Summer thes agilators, reinforced from every large city in Europe, wer enusually active and malignant. Spreading themselve all ever the country, they endeavored to create disconten among all those who had employment and to star up th evil passions of those who had not. Combinations were formed for strikes on all the princips, railway lines and in all the targe mining and manufacturing establish ments. These efforts culminated in wild scenes of rio and bloodshed in several States. Like seenes were threatened in this State on the 1-t of July, and broke our in acts of open violence on the 21st of that month. Th trains upon the Erie and New-York Central Railway were forcibly stopped; the depots, freight-houses an energy with destruction by fire; honest and mno ent in-borers and employe's who refused to abandon their work and their places forced from the trains or driven from the shops. Excited crowds of men were collected at Al-bany, at Syracuse, at Buffalo, at Horneityville, at Corn-ing, at Emira, and the peace of the city of New-York was scriously threatened.

In this condition of things it was impossible to hesitat as to the course to be pursued by the Chief Magistrate of the State. Much as all men are dependent upon the laws for protection, there is no one class more constantly i need of it, or over whom its protecting power should be more constantly exercised than the poor and labor ing. And, greatly as our sympathies might be exercised in their behalf, when, wicked and evil disposed men undertook even in their name to set the Government at deffance, and to overturn the laws made for their protection, it was incumbent upon the au thorsties at once to vindicate the majesty of the law, and make its power felt. Seeing the magnitude of the disturbance, and the danger of its sprending over the whole State, the entire force of the National Guard was ordered under arms, to hold itself ready to move at a moment's

The manuer in which the military forces of the State responded to this order was worthy of all praise. The 54th Regiment, of Rochester, the 74th, of Buffalo, the 110ch battalion and battery, of Elmira, and the 23d Regiment, of Brooklyn, were first ordered to Hernells ville, where the disturbance commenced. The 9th Reg-iment, of New-York, the 10th and 25th, of Albany, the Troy Citizen's Corps, and the Tobits Corps, of Troy, with some separate companies, were ordered to Albary. The Albany Burgesses Corps and the Jackson Corps volunteere Burgesses Corps and the Jackson Corps volunteered their services and were accepted. The 49th Regiment, of Auburn, the 65th, of Buffalo, and several separate companies were ordered to Buffalo, the 50th Buttalion, of Ithea, was ordered to Eimora, and the 8th Regiment, of New-York, to Syracuse. The several regiments, buttalions and companies above mentioned, moved to the respective points designated with extraordinary rapidity and good order. Their behavior throughout was highly creditable to their discipline and training as citizen soldiers.

One of the most dangerous modes of interfering with the operation of the railways was the tearing up of the

One of the most dangerous modes of the operation of the railways was the tearing up of the tracks and the placing of obstructions upon them for the purpose of wrecking trains, thereby imperiling purpose of the passengers and destroying the transportation. Fortune ble deductions from the terms, of convicts waose behavior should be satisfactory during their confinement. This law has much improved the discipline in our prisons, and has worked well in all respects. A study of the commitments since his passage, however, leads to the conclusion that our criminal courts, especially in the city of New-York, take account of these deductions in passing sentences, and by imposing longer terms really defeat the

the disturbances they were entirely suppressed, eace and good order restored, and the military forces is missed and returned to their homes, without blood-need or serious destruction of property. The accounts or the services, transportation and subsistence of the origin have been carefully examined and audited by the diutant-General, and with a few triling exceptions, and. The aggregate amount, it is believed, will not exceed \$230,000.

ceed \$230,000.

Only a law applications have been made for the reward offered in the proclamation above referred to. The offer of the reward lawing fully accomplished its immediate object, I have, in view of the convening of the Legislature, withdrawn it. I recommend, however, some increase of the usual appropriation from which rewards for the apprehension of criminals are paid.

A DIFFUSION OF THE MILITIA. At the present time the National Guard consists of eight divisions, fourteen brigades, one regiment and eleven separate troops of cavalry, one battalton and eleven separate batteries of artiflery, and twenty-four regiments, seven battalions and twenty-one separate ompanies of infantry; in all comprising 1.152 commis sloned officers, and 18,883 non-commissioned officers. musicians and privates, making an aggregate force of 20,035.

The report of the Adjutant-General, to which I invite your careful attention, shows in detail the number and organization of the military forces of the State. It also gives the details in fall of their operations during the exciting riots in July last. The discipline and efficiency of the forces were illustrated in a most gratifying man ner during the severe trials through which they were called to pass. Ordered suddenly to duty, without time for suitable preparation for a campaign, they moved without a murmur, and with extraordinary rapidity to their assigned positions, and their behavior throughout was in the highest degree creditable to them. The events and the results show the necessity of an efficient and well-organized military force of its own, in every State that would maintain its independ ence and the supremncy of its laws, without calling upon the Federal Government.

Whilst the services to which I have referred prove the general excellence of our organization in this State, they also disclose certain points in regard to which improve

also disclose certain points in regard to which improvements are possible and important. Several regiments and brigades were found to contain very few men, but a full number of officers. These have been undergoing distandment to a large extent, by which efficiency will be gained and expense saved.

The Adjutant-General arges in his report, he importance of organizance a separate company in each county where there is no regiment or battalion. Such county where there is no regiment or battalion, such county where there is no regiment or battalion, such county where there is no regiment or battalion, such county also with full numbers and good officers, would be at all limes available at the call of the actiffs of the reveral counties in ease of local disturbances, and it was found by experience during the hast Summer that companies of this class performed excellent service and were easily formed into battalices or attached to other organizations. I capitally approve the recommendation of the Adjutantic General in this respect, and also such increased appropriations as will enable every callisted man in the force to be fally equipped without personal expense to binnelf.

CRITICISM OF THE SCHOOL SYSTEM.

CRITICISM OF THE SCHOOL SYSTEM. The SuperIntendent of Public Instruction has given to

ne the following statistics: rotal receipts, including balance on hand Sept. stimated value of school houses and sites. 30,386,248 an

Number of school houses Number of school districts, exclusive of cities, Number of teachers employed for the legal term imber of teachers employed during any por-ion of the year under of teachers employed during any por-low of the year under of the large attending public schools, a under of persons attending normal schools, under of chadren of school sge in private Number of volumes in the school district libra-765,546

rie 765,548

(under of persons in the State between the age of five and twenty one years.

It will be seen from the foregoing statement that the noney raised by faxation for the schools of the State amounts to much more than double the sum required to oay the entire expenses of the State government, execupenditure of so large an amount of public money for any purpose is liable to lead to great abuses, as has been shown in all our past experience. In my judgment a very great wrong has already grown

up in connection with our otherwise excellent system. It lies in the principle of applying large amounts of the noneys raised by taxatien to the support schools, and instruction in all the sciences and bigher branches of sindy required in the learned professions. I can find no excuse for raising money by general taxation for such purposes. The only good cus for the education of the children of auctor class, the accessity of giving to the children of all classes a

PITERLES OF LEGISLATION. Among the changes made in our Constitution, in 1874, were many restricting the powers of the Legislature in certain cases. These limitations are so constantly liable introgement, in the hurry of legislative business, that I deem it proper to call special attention to the amend-

Section 18 of article 3 provides that:

The Logistature shall not pass a private or local bill in try of the following cases;
"Cranging the names of persons.
"Laying out, opening affering, working or discontinu-ing roats, nightways or alleys, or for draining swamps or

her low labels.

"Locating or changing county scats.

"Provening for changes of venue in civil or criminal

" Incorrerating villages.
" Providing for election of members of boards of super "Selecting, drawing, summoning or impaneling grand or petit jurors.

"The opening and conducting of elections, or designating places of voting.

"The opening and conducting of elections, or designating places of voting.

"Creating increasing or decreasing fees, per centage or allowances of public officers, during the term for which said officers are elected or appointed.

"Grantleg to any corporation, association or individual

"Granting to any corporation association or individual the right to inv down mairoid tracks. "Granting to any private corporation, association or individual any exclusive privilege, immunity or tranchise

whatever.

"Providing for building bridges and chartering com-panies for such purposes, except on the Hudson kiver below Waterford, and on the East River, or over the waters forming a part of the boundaries of the State."

Section 19 of article 3, is as follows: "The Legislature hall neither audit nor allow any private claim or account against the State, but may appropriate money to pay such claims as shall have been audited and allowed

cording to law." Section 24 of article 3 provides that "The Legislature shall not, nor small the common council of any city, nor any board of supervisors grant any extra compensation only public officer, servant, agent or contractor."

The aim of these changes was to limit legislative a tion in matters of which it is impossible that the Legisla-ture should have accurate knowledge. Of the great number of bills which I was unable to approve at the ast session, a majority infringed some of these restrictive provisions, and as this doubtless arose from oversight, I

have thought proper to insert them here.

I refer again to the very objectionable practice which
has prevailed of enacting general legislation in appropriation bills. It places legislative provisions where n one ever expects to flud them, and puts them beyoud the reach of disapproval by the Governor, unless he vetoes the whole bill in which they are con amed. There was less of this mischief in the appropriation bills last year than had become usual, but there was too much of it. It should be discontinued altogether.

For some years past it has been the policy of the Cor stitution to lessen local and special legislation. I need not dwell on the great extent to which this class of statutes had swelled at the time the people, by amending the Constitution, sought to diminish it. The settled purpose of the people is to commit this entire subject to general laws. Yet localities still attempt to defeat this aim, and to return to the old and evil path of special charters and special provisions. Although villages cannot now be so chartered, and the general act provides that those orkanized before the Constitution was amended may take the benefit of the new system, efforts are often made to amend the old charters by special acts, and thereby secure a new special charter under the guise of an amendment, in nearly every case such amendments are directly in conflict with the policy and provisions of the general statutes, and seek by means more or less unworthy to gain local advantage at the expense of general policy. Chareful reflection on this subject has convinced me that far less evils will result from a refusal to cuact or approve the mass of amendments proposed to these special village charters, and the reference of the whole class of statutes had swelled at the time the

subject of village grievances to the general laws provided for their regulation. This course I carocatly urge fou to take, believing that the great relief it will give to the overburslened files of the Legislature and Executive will more than compensate for any occasional iriction in the adjustment of local affairs.

HOW TO GOVERN THE METROPOLIS. The vast and increasing population and business of the city of New-York, its position as the commercial metropolis of the Western world, the rapid extension of its lim its, its large corporations and institutions of various kinds, its political power, its immense trade, and its financial and commercial interests, render its proper, economical and efficient government a problem of the highest importance and of very serious difficulty. About twenty years ago, the embarrassments which had arisen in the local government led first to the establishment of legislative commissions to control various departments. and finally transferred to the State capitol nearly all the appropriate powers of the Common Council. Since then it every session of the Legislature the Senate and Assemt 'v have, to a large extent, presented the appearance of a board of aldermen and assistant aldermen for the

city of New-York. The result has been disastrous in the extreme. Within that time upwards of 2,400 laws have been passed relating to the city. These have been, upon some subjects, so confused and conflicting that the court of last resort has pronounced it impossible to ascertain and declar their true meaning. The enormous extent of corruption and plunder perpetrated under these laws is too well known to require repetition, stands out as the darkest blot upon records of the city and the State. the oppressive debt which hangs over the city, the amount of \$85,000,000 was put upon it by legislative acts for which the city itself never applied. Of the 2,400 acts above referred to, the majority of them will be found to be or to cover mere schemes for plunder, or to change

official power from one class of men to another. lating to the city were introduced into the two Houses, and a majority of them were passed. Some of them original naily contained very good provisions for remedying evils which had become intolerable, but in their passage through the Legislature there had been attached to all such provisions amendments which were intended to keep up the old and corrupt system, and which could not fail of producing more injury than benefit. Many of them were also in flagrant violation of the Constitution. For these reasons, and in the full conviction that it was worse than useless to pile upon the city of New-York any more laws of the description of those which tend been passed during the last twenty years. I returned all bills of this character

ter without my approval.

The question, "What new is to be remains an open and important one. The whol subject of municipal reform was under discussion for many months by a commission composed of very abl their report was made to the Legislature at its last acs sion. The plan of government proposed by the commis sion involved, however, certain extension amendments to the Constitution. These amendments were approved by the last Legislature. Under the Constitution, they must be approved by you also before they can be submitted to the people. If you see fit to do so, they will be referred to the people for action at the next general election. In the event that you withhold such approval, t will remain a grave question for the Legislature to de-

ermine what should be done.
In my message returning to the Assembly the bill entitled "An act to secure better local government for the City of New-York," I stated that in my opinion the great want of the city was a charter.

I am still of the opinion that the only effectual remody for the evils under which the city suffers, will be a careful and well considered charter in the nature of a constitution, organizing a local government with a strong composed of two houses, and clothed with all the powers of local legislation, subject to veto by the Mayor. I believe that such a charter may be easily framed, aithough it would be out of place to attempt to set forth the details of it in this message. When once fully and fairly considered and adopted, it is believed that the advantages of it would be so apparen

The state of our Excise Laws seems to'demand after post. It may be said the provisions now in force were found not to be such as the public generally had sup-posed them to be. The poins taken by the court in discussing the question proves that it was one of some initiacy. The doubt was due to there being too many laws on the subject in force at the same time; and the consequent necessity of resorting to older statutes in order to flad the mean her of more recent enactments, and of deciding where the old and the new law conflicted, and to what extent declars erred in constraing their privileges, it would not be just to hold them to penalties as for a wifful vio-lation of law. The legislature is bound to make its enactments explicit and easy to be understood.

The decision of the Court, although undoubtedly correct. was a surprise, and caused much excitement among al sterested. Its enforcement, no doubt, was accompanied by hardsitips. What is needed is to substitute existing laws on the subject a carefully prepared statute, reasonable in its limitations and restraints, clear and explicit in all its provisions, and, above all, complete a uself; to be uniformly, steadily and constantly

Among the duties devolved upon the Legislature by the Constitution, will be the Among the duties devolved upon the Legislature by the Constitution, will be the rearrangement of the Seinste and Assembly districts. Section 4 and 5 of Attacle 3 of the Constitution expressly charge the Legislature. after each census, to so adjust these districts that they shall contain, as near as may be, an equal number of inhabitants. From the beginning to the end of the Constitution, there is no stronger obligation placed upon the Legislature than this. It involves the most important right of the people, under our form of government—their voice in the legislature halls. By the terms of the Constitution, this duty should in that or the succeeding year. I do not desire to characterize this past disregard of the command of our highest law. I assume that the present Legislature will observe its each to support the Constitution. To adjust these districts according to the return of the census is a matter of mere mathematical calculation. It is easy of accomplishment if approached, as I presume it will be, in a fair and impartial spirit.

Certainly we cannot expect that the people will long continue to observe the ordinary continue to the continue to the continue of the co

Certainly we cannot expect that the people will long continue to observe the ordinary restrictions and require ments of statute law, if their representatives who make that law utterly dispegard and dely the especial mandates of the Constitution they have solemly sworn to

VIOLATIONS OF CORPORATE TRUSTS.

Life insurance is comparatively new to this country having been little known until within the last thirty years. The companies first organized to transact it had to follow an untrodden path, and to correct errors as they gained experience Thus feeling their way along, as their methods improved their business and usefulness increased. They now distribute many millions annually among widows and orphans, a majority of whom would otherwise be left des-titute. Such organizations, if well managed, are of inestimable benefit to the community, and deserve all needful legislative support and protection.

From time to time laws have been passed for the mu tual protection of insurer and insured. Some of them bave been extensively followed in other States. It cannot be claimed that their operation has been emi-cutly successful. In some respects they have worked postive harm. Although a detailed review of the subject is far without the scope of this message, it is proper to in stance the section of our statute requiring the deposit by every insurance company chartered in our State, and of others not making a similar deposit in their own States, of \$100,000 in se-curities as a condition precedent to the transaction of business. Several other States have added to their laws business. Several other States have added to their laws a requirement that companies chartered in this State should also deposit a specified amount of securities with their departments before doing business in those States. This has already resulted in hardship. The moneys so deposited in other States are completely beyond the control of the company which owns them, our department which supervises it, and the jurisdiction of our State courts. A perfectly solvest company may find itself embarrassed by the increasing calls upon it for heavy deposits of securities in other States. It would seem that funds thus beyond the jurisdiction of our States, ought not be accredited and certified by our department.

Again, great injustice often attends the winding up of insolvent companies, and much of it is due to the theory

of the law applicable to that subject. As would be properly prescribed for a commercial bankrupt, if the reserve of an insurance company becomes impaired, the law directs the Superintendent of the Insurance Department, the Attorney-General and the courts, to wind it up and distribute its assets. This rule is unjust to those policy-holders whose health has failed, and who are, therefore, unable to procure insurance elsewhere, and also to those who, by reason of advanced age, can only secure insurance at an increased cost. I think some more equitable plan of dissolution might be devised for such cases. It is now the practice, upon the application of the Attorney-General when called upon by the Superintendent to piece the affairs of insolvent companies in the hands of a receivea, who, at great expense of time and money, and with invariable loss to those interested, winds up its affairs. It may well be asked if this work would not be better and more cheaply done by placing the affairs of such companies in the hands of other life insurance or trust companies in the hands of other life insurance or trust companies of high character and of known and approved responsibility, rather than in the hands of receiver, who fire strangers to the practical methods of managing this class of business.

Akin to the business of life insurance, in many respects, is that of savings banks. These institutions hold in crust the little treasures of the poor. Upon their soundness and honest management depends much of that public confidence essential to the business of the country. Numerous failures among these banks have brought heavy losses upon those ill able to bear it, and stripted many of their entire savings. All that I have said of the insolvency of life insurance companies is as well applicable to the closing of savings banks. The organization, methods and needs are so nearly alike that they may be treated together. The State which character dism has a right to say they shall be faithful to those who trust them. To that end it sho

In 1848 the old system of practice at law and equity was abrogated, and in its stead was enacted the code of civil procedure. Contemplating at this distance of time the results of the change, it may well be doubted whether it conferred any substantial benefit upon the people at all equivalent to the evils of which it was the cause. For twenty-five years the practice of law was unsettled. Private rights were imperiled by differing constructions of remedial provisions, and thousands of practice questions burdened our courts and crowded our law reports.

At last, however, at the end of a quarter of a century, the construction of the code had been substantially fixed by the courts. It was no longer common to see a citizen deprived of substantial rights in tribunals through mistaken views of practice. The Legislature passed an Act March 2, 1870, tice. The Legislature passed an Act March 2, 1870, authorizing certain commissioners to "revise, simplify, arrange and consolidate all statutes of the State of New-York," general and permanent in their nature," and in performing tals duty to bring "together all statutes and parts of statutes which, from similarity of subject, ought to be brought together, omitting redundant or obsolete enactments, and making such alterations as may be necessary to reconcile the contradictions, sapply the cubistions and amend the imperfections of the original

t is not necessary here to discuss the seriously debated

In view of the discussions going on in the Congress of the United States, it seems proper for me-to-remind you and our people that, whatever may happen elsewhere, specie payments are, under existing taws, to be resumed in this State from and after the arst day of January next. Chapter 73, of the Laws of 1875, provides, first, that after the first day of January, 1879, all taxes levied in ter the first day of January, 1879, all taxes levied in diture, as State shall be paid in gold or in coin certificates or lie offic outracts made in this State after that date, the word dollars shall be construed to mean coin. All our taxes, ceneral and local, including canal tolls, will, next year,

will be obliged to enforce private contracts in com.
It will be seen that the day fixed in this law of our State is the same which is appointed by existing statutes of the United States for the resumption of specie payments by the treasury. The low premium on gold, which has for a long period prevailed, indicaces a condition of things favorable to specie payments being generally re-established at an early day.

It seems to me manifest now that if the credit of the Federal Government can be maintained at the point at which it stood amouth or two ago, so that its point at which it stood a month or two ago, so that its bonds bearing low interest are treely sold, the Treasury will be able to resame payment on or before the day designated, without distress to the community. We have, in fact, passed through all the suffering involved in the reduction of prices which inevitatory followed the false values of a period of great inflation. Prices both of wages and property are, with few exceptions, lower to-day than they would have been if we had never departed from the come standard; and I do not doubt that the resumption of sucie payments will, at once, increase the exchangeable value of property and the market-price of labor. They are in error who suppose that a profusion of the present uncertain condition of tailing more for their property, or to that large class of nen which is tooking for benefrates of wages. With the present which is tooking for benefrates of wages. With the present want of confidence, property does not readily find purchasers at any price; capital is timid in investing; enterprise is checked. Until confidence is restored, our wonted activity in the exchanging of property will not return, and until the present tendency to inactivity and almost morbid caution ceases, we will look in vain for a higher race of wages. No financial device, by way of renewed inflation or debusement of our money, will compensate for the disastrous effects of the additional loss of confidence which any such device will bring about. Relief is near at hand if we will seek it by the straigst road; and it would be great weakness now, when we have paid the full cost of success, to take a single backward step.

Any wavering on the part of the Pederal Government, in respect to this question, must have the effect of prelonging indefinitely and intensifying the unhapy condition of business and of industry under which we have suffered for several years. There can be no coulidance in private transactions if the General Government, in tespect to this question, must, have the effect of prelon one's bearing low interest are treely sold, the Treasury

MISCELLANEOUS.

The Legislature has heretofore passed resolutions di recting the Attorney-General to take legal pro-ceedings to determine the boundary line between New-York and Connecticut through Long Island Sound The subject has been fully examined on behalf of the Attorney-General, and the result of such examinatio submitted to me. I am of the opinion that it is best that this question should be settled by a commission, to be this question should be settled by a commission, to be appointed by the two States. I am informed that the Governor of Connecticut concurs in this view, and will so advise the Legislature of that State. I, therefore, recommend the appointment of commissioners to as with commissioners to be appointed by Connecticut, to determine the boundary line between the States of New York and Connecticut through Long Island Sound.

I have received a communication from the Secretary of War, stating that Congress has made an appropriation for the maintenance of the Autictam National Cemetery, to be used, upon condition that the legal title to the

for the maintenance of the Auticiam National Cemetery, to be paid, upon condition that the legal title to the cemetery shall be conveyed to the United States. The title has been held by the State of Maryland, as trustee for the several States that contributed towards its establishment. The Secretary of War requests that an act be passed by the Legislature of this State, consening to the transfer of the property by the State of Maryland to the United States. The draft of such aff act as is required accompanies the communication. It will be admitted to s the communication. It will be ture, and I recommend its early

GOING ON WITH THE NEW CAPITOL. It is now about ten years since the construction of the

new Capitol was commenced. Up to the 15th of December, 1877, the sum of \$8,276,615 36 has been expended upon it. This is a larger amount of money than was ex-pended on the original construction of the Eric and Champlain canals, and yet there is not a single apar-ment in the building completed. It seems beyond the reach of human foresight to discover when it may be a ished, or the amount of money which will be ished, or the amount of money which will be required for that purpose. I respectfully arga every member of the Legislature to go through the vast pile of brick and stone, and judge for himself what are the prospects which lie before the people in regard to the enormous expenditures yet my message disapproving an appropriation of a million of dollars at the last session of the Lexislature, I stated of dollars at the last session of the whole subject. I believed gard to the enormous expenditures yet to be made. In fully my views in regard to the whole subject. I believed that it was better, for the reasons there given, that no further appropriation should be made, at least us there was an improvement in business and in the cap ity of the people to pay taxes. - I believed the lieve now, that a Capitol of proper size and of proper action of public business, and far less expense in the maintenance of it, could be built, fluished and furnished,

appearance, with far better convoniences for the transaction of public business, and far less expense in the maintenance of it, could be built, finished and furnished, for much less money than it will require to complete the present building in all its vast and useless proportions.

The views expressed by me in that nessage have been fully confirmed by repeated personal examinations of the building. There is not the least reason to believe that there is, in the whole State, any man of common sense who would now advise the commencement and construction of such a building as the New Capitol, if it were an original and open question.

The one only argument for going on with it is that if we do not proceed we lose all the immense amount that has aiready been expected. This one consideration induced the Legislature to make an appropriation of half a million of dollars, instead of the million, to which I had objected. Yielding to the conviction of the Legislature, that for the reasons stated, the work must go on, and the expenditures continue, I approved the appropriation for the half million. I, however, accompanied the approval with a recommendation that the money should be devoted to the completion, as far as possible, of the Assembly chamber, for the purpose of bringing some part of the building into use at the earliest practicatic day, and festing its adaptation to the uses for which it was intended. This recommendation was followed, and with the work, it can undoubtedly be ready for occusation on the 1st of January, 1879. The expenditure of the strength of the argument to which it have referred, in favor of proceeding. If it shall be the Judament of the Legislature that a further appropriation shall be made, it recommendation is that henceforth the work proceed by the completion of each producing the summer of the completion of the assembly chamber, the Senate chamber, and possibly one or two other papartnents, and that henceforth the work proceed by the completion of each of preceding the assembly chamber, the

A FEW POLITICAL COMMENTS. The importance of your labors, the dignity and re

sponsibility of your position, are sufficiently attested by the fact that you are the legislative representatives of nearly 5,000,000 of people. The population and wealth for which you are to care far exceed those of the Republic in the days of Washington, This would be a great and sacred trust at any time. It is doubly so now, when the people are struggling to stem the tide of corruption and crime, which, originating during the war, has since so widely desuged the State and Nation, as to shake, at times, the faith of the most hopeful. In itself the war was a small evil compared with its resulting demoralisation. The light regard for constitutions and the law, the debased and inflated currency, and finally, the open trifling with the public faith to which it gave birth, have wrought more harm to the people than even its mighty sacrifice of blood and treasure. Excessive luxury in living sprang from imaginary wealth, and linked with this came fraud, perjury, forgery and defalcations, breaches of treat in private business and among public servants standing bereath the obligations of official oaths. The rapine and plunter which for tweive years desolated

standang bereath the obligations of official catha. The rapine and plunder which for tweive years desolated the Southern States, the common trees on to official trusts and frequent use of public place for private gain have worked deep injury to the Nation's sense of right. Even now millions of voters smart at the conviction that they have been defrauded of their choice in a National election, and robored or the right of suffrage guaranteed them by their Constitution and the law. They believe that the Presidency of the Republic is held by one not elected to that office, and without moral title to its powers and honors. This belief is shared by a majority of the people. They yield concilence to an Exceptive of tact, but not of right, that they may save the land from marchy. They none the less charge this creat crime upon those high officials by whose conspiracy against the law it was made possible. That these their servants should have certified hischood to be truth gives them deep sense of wrong. They know a that this defiance of the people's will if the made a precedent will bring our Government to will and certain end. For all these reasons the state of popular technic is not what those who love our institutions long to see it.

But in spite of these discouragements, there are good grounds of hope for the future. A sounder state of gain lie opinion is servily, though slowly, developing. News still with many, and good inclinations with more, are building to rational itying and closer economy of exceptions. The people demand more faithful service of public officials. The prison doors are closing behind many of the swinders who from the rains of so-called good secty, have sought to make crime respectation, and we may we the developing. The delice of the collection to those wine faisiff

the swindners was from the rains of se-called g ety, have sought to make crime respectable, and which ever the day of retribution to those was and corrupt the ballot-box, is near at hand-despotism of military occupation in the Souther is a thing of the past. As the classen represof the people, you are now called upon take your stand in the unending conflict bet right and wrong. I need not remind you that the of New-York has belind it a long and betorable his It has stood foremest in every effort to elevate the peoprity the pondle service, and to preserve distance in institutions of our constry. It is given to you, he have of your high disks, to devote again the he institutions of our constry. It is given to you doe harge of your high datles, to devote again the of the State to toe cause of public morality and virme. I do not doubt that you will bring to the work your best energy and most enlightened effort that end I carnestly bespeak for you the guidant inspiration of the Divine fleing with whom alone 1. R. and

THE POSITION OF RITUALISM.

DR. HOPKINS'S LETTER ON THE GENERAL CONVEN-TION-A MISREPRESENTATION-THE CHURCH AT

PEACE. To the Editor of The Tribune.

SIR: I have read with close attention the etter of the Rev.Dr J.H.Hopkins, published in The Tain-UNE of Nov. 24, and written, apparently, to give what its author considers to be the true " inside history" of the late General Convention of the Protestant Epis-copal Church. Among all the sources of gratification to arnest Episcopalians the one which gave more satisfaction than any other in connection with the recent Con-vention was the indisputable fact that the last General Convention was the most harmontons and peaceful that the Church has known for very many years. And the fact, satisfying as it is, is not valued for itself alone, but because it indicated another and much more significant and satisfying, fact, viz., that the late General Convention was distinguished for its harmony and peace be-cause the Church itself is in unusual peace and harmony. The most conclusive evidence of the reality of these two facts which could possibly be displayed, was given in an event which Dr. Hopkins mentions—the union for the Church's real and only work of the official Board of Missions and the voluntary American Church Missionary Society. All who know the history of the missionary work of the Episcopal Church in its relations to the partisan questions which have disfigured and obstructed it thank God and take courage and strength for the future when they think of that reunion. They honor first

when they toink of that remion. They honor first of all the American Church Missionary Society that it was ready to move in the matter; they honor the Board of Missions that it was ready to meet the society had way. They realize what it means. They see that it dicates not only a remion of corporate organizations, but a genuine reconciliation of brotherly affections, once of tranged by the spirit of partisan doubt and prejudice; and more than this, they see their Church by this act, as well as many others, closing up her ranks and girding up her loins for real, successful, heavenly work! It all these signs of peace they catch a gimpac of sweeter revelation of God and Heaven than they have ever had before from the action of their Church.

Now, if the facts be as I have stated, and I am sure that they are, why disturb this state of things? If the Church's camp is quiet, and her army is equivent the best "tactics," and carefully drilling for the way, why should one of her capitains order a fire on it from the rear! Or if this figure does not meet the present cap why should be put red pepper in the army's four assationtia in the springs of water?

Elizabeth, N. J., Dec. 17, 1877.

AN EPISCOPAL CLERGYMAN Elizabeth, N. J., Dec. 17, 1877.

THE PROPOSED SOUTH AMERICAN RAILWAY. PHILADELPHIA, Jan. 1 .- i he steamship Mercedita, chartered by the contractors for the Mades and Mamore railway around the falls of the Mader River, will sail to-morrow for San Antonio, Brazil, at the River, will sail to-morrow for San Antonie, Brazil, and a full corps of picked engineers and laborers, begin the road. This will be the first work of the interference of the interference